GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:393
ANSWERED ON:21.04.2005
PURCHASE OF CRUDE OIL
Nitish Kumar Shri ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether the crude oil purchased by India from the international market is normally cheaper than its price prevalent in the international market;

(b) if so, the extent to which the price of the crude oil purchased by India is less than its price prevalent in the International market on an average in a year; and

(c) the estimated average rate of production of petrol, diesel, kerosene and natural gas from the said crude oil?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 393 TO BE ANSWERED ON 21ST APRIL, 2005 REGARDING PURCHASE OF CRUDE OIL.

(a) & (b): The purchase of crude oil by India from the international market is based on prevailing international prices. More than two-thirds of the imported crude in India comes from West Asian countries where prices are fixed at the Official Selling Price(OSP) and are sold directly by the National Oil Companies (NOCs) of producing countries. The rest of the crude is procured on a spot basis through tenders floated by PSUs. Both OSP & tender price are guided by prevailing international oil prices.

(c): During April-February 2004-05, 113.685 MMT of crude oil was processed in PSU refineries of which 86.703 MMT was imported grades. Imported and indigenous crude oils are processed simultaneously by the refineries and the final products are obtained by blending both the streams. During April-February 2004-05, the yield of main products in PSU refineries was as follows:

Product	Figures in MMT
Liquid Petroleum Gas (LPG)	5.068
Petrol	9.978
Diesel	42.138
Kerosene	8.372